

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN RE:	§	CASE NO. 25-30155
	§	
ALLIANCE FARM AND RANCH, LLC,	§	(CHAPTER 11)
	§	
DEBTOR	§	
	§	
IN RE:	§	CASE NO. 25-31937
	§	
ALLIANCE ENERGY PARTNERS, LLC,	§	(CHAPTER 11)
	§	
DEBTOR	§	
	§	

**CHAPTER 11 TRUSTEE'S APPLICATION FOR ORDER
AUTHORIZING EMPLOYMENT OF
HMP ADVISORY HOLDINGS, LLC, DBA HARNEY PARTNERS
TO PROVIDE FORENSIC ACCOUNTING SERVICES**

THIS APPLICATION SEEKS AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THE APPLICATION, YOU SHOULD IMMEDIATELY CONTACT THE APPLICANT TO RESOLVE THE DISPUTE. IF YOU AND THE APPLICANT CANNOT AGREE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE APPLICANT. YOU MUST FILE AND SERVE YOUR RESPONSE WITHIN 21 DAYS OF THE DATE THIS WAS SERVED ON YOU. YOUR RESPONSE MUST STATE WHY THE APPLICATION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THE APPLICATION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE APPLICATION AT THE HEARING.

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

Tom A. Howley, Chapter 11 Trustee ("Trustee") of the bankruptcy estates (the "Estates") of Alliance Farm and Ranch, LLC and Alliance Energy Partners, LLC ("Debtors"), in the above-captioned bankruptcy cases (the "Cases") files this application (this "Application") pursuant to

Bankruptcy Code Section 327(a), Bankruptcy Rule 2014, and Local Bankruptcy Rule 2014 for an order authorizing employment of HMP Advisory Holdings, LLC, dba Harney Partners (“HP”) to provide forensic accounting services to the Trustee.

I. JURISDICTION AND VENUE

1. The Court has jurisdiction to consider this Application under 28 U.S.C. §§ 157 and 1334. Venue is proper before the Court under 28 U.S.C. §§ 1408 and 1409. Matters concerning the employment of Estate professionals and the administration of the Estate constitute core proceedings pursuant to 28 U.S.C. § 157(b)(2). The Court has the constitutional authority to enter a final order under *Stern v. Marshall*, 564 U.S. 462 (2011), and its progeny. The relief requested is authorized under section 327(a) of Title 11 of the United States Code (the “Bankruptcy Code”).

II. BACKGROUND

2. On January 7, 2025 (the “AFR Petition Date”), the Alliance Farm and Ranch, LLC (the “AFR Debtor”) commenced its bankruptcy case (the “AFR Case”) under chapter 7 of Bankruptcy Code. On March 17, 2025, the AFR Debtor filed its Emergency Motion to Convert Case to Chapter 11 (the “Chapter 11 Conversion Motion”). [ECF No. 13]. On March 19, 2025, the Court entered its order granting the Chapter 11 Conversion Motion. [ECF No. 24].

3. On April 7, 2025 (the “AEP Petition Date”), the Alliance Energy Partners, LLC (the “AEP Debtor” and together with the AFR Debtor, the “Debtors”) commenced its bankruptcy case (the “AEP Case” and together with the AFR Case, the “Chapter 11 Cases” or “Cases”).

4. On May 12, 2025, the United States Trustee filed its Notice of Appointment of Committee of Unsecured Creditors [ECF No. 77] appointing an official committee of unsecured creditors of the Debtors (the “Committee”). On May 22, 2025, the Committee filed its Emergency Motion for Appointment of Chapter 11 Trustee (the “Trustee Motion”) [ECF No. 98]. On May 23, 2025, the Court entered its order granting the Trustee Motion [ECF No. 112].

5. On May 27, 2025, the U.S. Trustee filed its Notice of Appointment of Chapter 11 Trustee [ECF No. 116], appointing Mr. Howley as Trustee. On May 27, 2025, the Court entered its Order Approving United States Trustee's Application for Order Approving Appointment of Tom A. Howley as Chapter 11 Trustee [ECF No.117].

6. The Trustee requires a professional to perform forensic accounting services to assist him in his capacity as Trustee of the Estates. In particular, the Trustee requires a forensic examination of the documents of the Debtors, their affiliates, and certain other parties including bank statements in order to perform a proper investigation as to possible claims held by the Estates. The Trustee thus files this Application to employ HP for this role.

III. RETENTION OF HARNEY PARTNERS

7. The Trustee seeks Court approval, pursuant to Bankruptcy Code 327(a), Bankruptcy Rule 2014(a), and Local Bankruptcy Rule 2014, to employ HP to provide forensic accounting services in these Cases. Pursuant to Local Rule 2014, the Trustee requests the Court deem the retention of HP contemporaneous with the first day that HP provided services, August 1, 2025, which is within 30 days of filing this Application.

8. The Trustee contemplates that HP may render, without limitation, the following forensic accounting services:

- a. Analyze historical cash transactions by and between Alliance Farm Ranch, LLC, Alliance Energy Partners, two non-debtor affiliate entities, and two individual equity holders for a specified period of time across also to be identified bank accounts;
- b. Produce a forensic report detailing the historical cash transactions;
- c. Provide testimony, as necessary, to support the reported findings; and,
- d. Other services as may be agreed upon between HP and the Trustee.

IV. PROPOSED COMPENSATION FOR HARNEY PARTNERS

9. Subject to the Court's approval, HP will charge the Trustee for its legal services on an hourly basis at the hourly rates as set for in the Engagement Agreement attached here to as **Exhibit A** and as set forth below:

<u>Professional</u>	<u>Fee (per hour)</u>
President I EVP / COO	\$700 to \$800 / hour
Managing Director	\$550 to \$700 / hour
Sr. Manager / Director	\$400 to \$550 / hour
Manager	\$350 to \$450 / hour
Sr. Consultant	\$275 to \$400 / hour
Support Staff	\$180 to \$300 / hour

10. For this matter, the services of HP are anticipated to be provided by Erik White, Managing Director, at a rate of \$600.00 per hour and Kyle Schanzer, Manager, at a rate of \$450.00 per hour.

11. The hourly rates are subject to periodic adjustments to reflect economic and other conditions, including increases based on advancing seniority and promotion. HP will provide advance notice by filing a notice with the Court before any proposed rate adjustments.

12. In addition, HP will seek reimbursement of expenses advanced on behalf of the Trustee according to its customary and usual practices. HP will maintain detailed records of any actual and necessary or appropriate costs and expenses incurred in connection with its legal services.

13. HP intends to apply to the Court for compensation and reimbursement of expenses in accordance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, and orders of the Court. HP received no retainer funds from the Trustee. HP did not receive funds from any other party related to its proposed representation of the Trustee in the Cases.

V. DISCLOSURES

14. As set forth in the Declaration of Erik White (the “White Declaration”) attached as **Exhibit B**, HP signed an engagement agreement, subject to this Court’s approval, to provide forensic accounting services to the Estates on July 28, 2025.

15. To the best of the Trustee’s knowledge, information, and belief, other than as disclosed in the White Declaration, HP has no connection with the Trustee, its creditors, or any other party-in-interest in the Cases, or with their respective attorneys or accountants, the U.S. Trustee, or any person employed in the applicable Office of the U.S. Trustee.

16. To the best of the Trustee’s knowledge, information and belief, HP represents no interest adverse to the Debtors’ Estates in the matters for which HP is proposed to be retained and is a “disinterested person” as defined in Section 101(14) of the Bankruptcy Code. The Trustee submits that approval of its employment of HP would be in the best interests of the Debtors’ Estates and their creditors.

17. White executed the White Declaration on behalf of HP in accordance with Sections 327, 328, and 504 of the Bankruptcy Code, Bankruptcy Rule 2014, Local Bankruptcy Rules 2014 and 2016, and the U.S. Trustee Guidelines. The Trustee’s knowledge, information, and belief regarding the matters set forth herein are based on, and made in reliance upon, the White Declaration.

VI. NOTICE

18. The Trustee will notice this Application to the Office of the U.S. Trustee for the Southern District of Texas, creditors, counsel, and other parties-in-interest, all as set forth in the Certificate of Service below. The Trustee submits that no further notice is necessary.

VII. CONCLUSION

19. WHEREFORE, the Trustee respectfully requests that the Court enter, substantially in the form attached hereto as **Proposed Order** authorizing the employment and retention of HP to provide accounting services, effective as of August 1, 2025, on the terms set forth above, and granting Trustee all other just and proper relief.

Dated: August 4, 2025

HOWLEY LAW PLLC

/s/ Eric Terry

Eric Terry

State Bar No. 00794729

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Counsel to Chapter 11 Trustee

CERTIFICATE OF SERVICE

I certify that on August 4, 2025, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Eric Terry

Eric Terry